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*Reports 6*

10 March 1975

MEMORANDUM FOR THE RECORD

SUBJECT: Leo Cherne's Day at Headquarters,  
7 March 1975 -- Part II

25X1 1. This memorandum complements that of [ ]  
25X1 (DDO/[ ] which treats the discussions Messrs.  
25X1 Cherne, Byers, and Olmer had with DDO/Eur and DDO/[ ]  
personnel from 0930 until noon.

[ ]

25X1 3. General Walters took over the role as luncheon  
25X1 host, and was joined by Messrs. Proctor, Nelson, [ ]  
25X1 Ernst, [ ] sat in for Dr.  
[ ] Lunch was pleasant but non-substantive with some  
talk about oil and petrodollars. In passing, Cherne noted  
that Bill Casey, ExIm President, had sent him a Murphy  
Commission paper written by a former CIA official, which  
recommends that economic intelligence be taken out of the  
agency and that a central data bank be established for the  
Executive Branch. Cherne also remarked on his surprise that  
DDO officers considered OER as much a customer as Treasury.  
He had always looked upon OER as a "wholesaler."

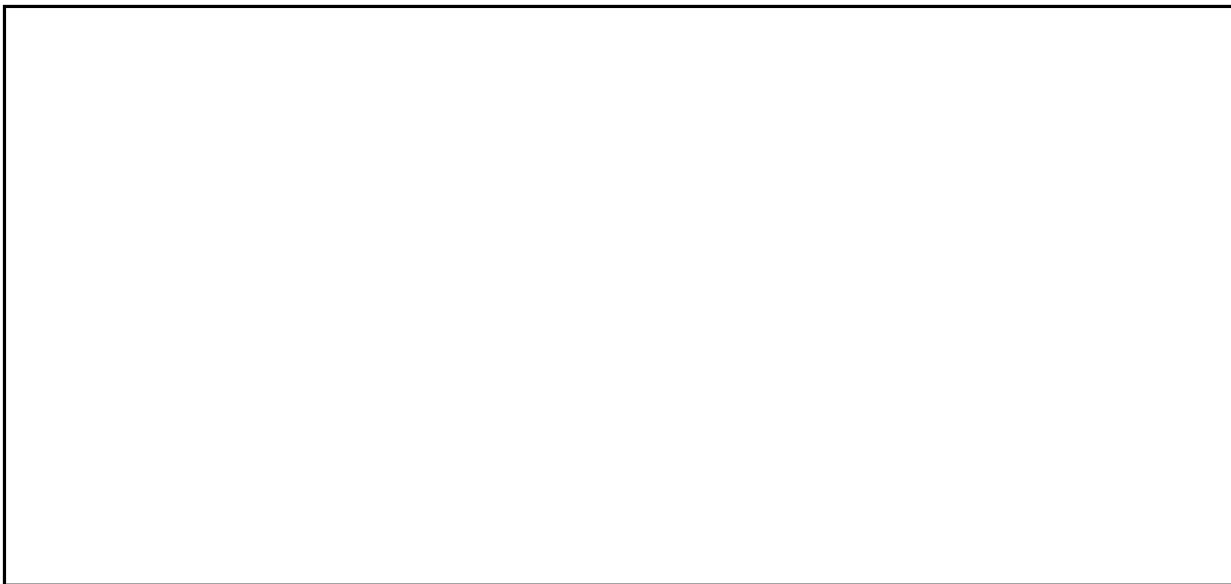
4. The afternoon with DDI was truncated by Cherne's  
decision (made in New York City earlier in the day) to make  
a 5:00 p.m. flight back to New York. Accordingly, I com-  
pressed the schedule, having OER, OCI, and OSR personnel  
meeting with him simultaneously by day's end in the third  
session.

25X1 5. In the first DDI session, Maurice Ernst, D/OER,  
[ ] OER's Industrial Nations Chief, and

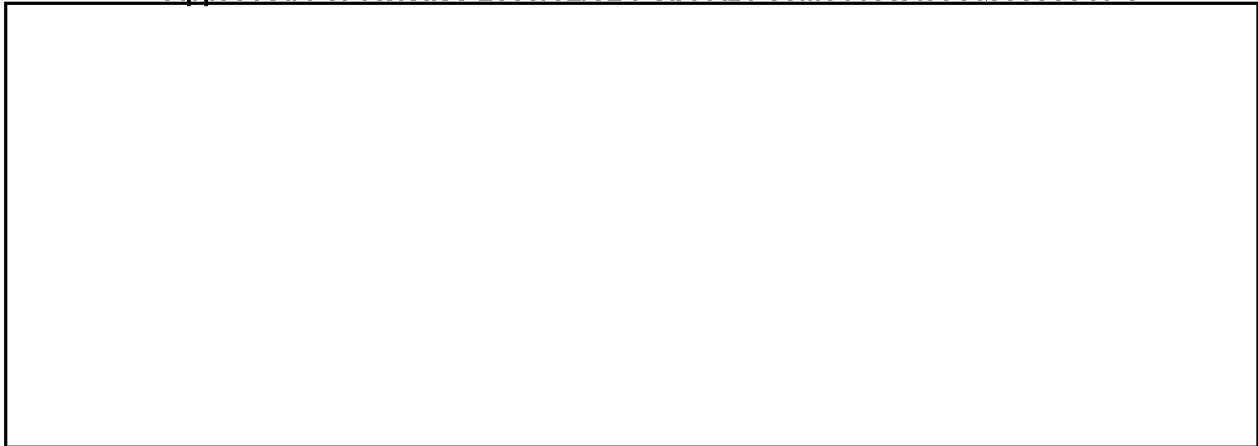
[ ]

25X1 [ ] Chief of OER's Western European Branch,  
discussed a number of issues with Cherne and Olmer, Byers  
25X1 having gone back to his office after lunch. Ernst began  
with a general statement on [ ] relationships with  
25X1 respect to information collection based on his recent trip  
[ ] This led to a brief comment that INR is not in a  
position to levy requirements to the field on a priority  
basis. Turning to OER's finished intelligence, Cherne said  
what he reads is "not vital content." It soon became evident  
that many OER products that respond to the highest policy  
25X1 levels are not sent to Cherne, particularly those in memorandum  
form [ ] Ernst will see if it is  
possible to provide a cross section of these memoranda, say  
those focusing on oil and grain. With respect to what he  
does read, Cherne praised the International Oil Developments  
for its willingness "to take a chance" in its "Current  
Overview" section. As for the Economic Intelligence Weekly,  
he finds it "very calm, cautious, and very dull." (It is  
issued on Wednesday; he usually receives it in New York on  
the following Monday, "often after he has read about it in  
the New York Times.")

25X1 6. Cherne and Byers then met with [ ]  
25X1 Chief of OER's Systems Development Staff, [ ]  
Chief of OER's International Energy Branch [ ]  
an analyst in that branch. In an informal, unstructured,  
substantive session the discussion ranged over accumulated  
Arab reserves, OPEC investments, and the differences in  
25X1 outlook between OER and OECD. [ ] who set up OECD's  
formula to share in cutbacks, should the West suffer another  
oil embargo, did not get a chance to discuss the subject.



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